

FAMILY FOUNDATIONS: A Profile of Funders and Trends

Prepared in Cooperation with the
NATIONAL CENTER FOR FAMILY PHILANTHROPY

U.S. family foundations represent a diverse community of organizations, ranging from modestly endowed local funders entirely managed by family members to billion-dollar institutions with large paid staffs that make grants on a national and international basis. They also evidence tremendous breadth in grantmaking activity. Still, based on broad measures of size, scope, and giving patterns, family foundations show strong similarities to independent foundations overall.

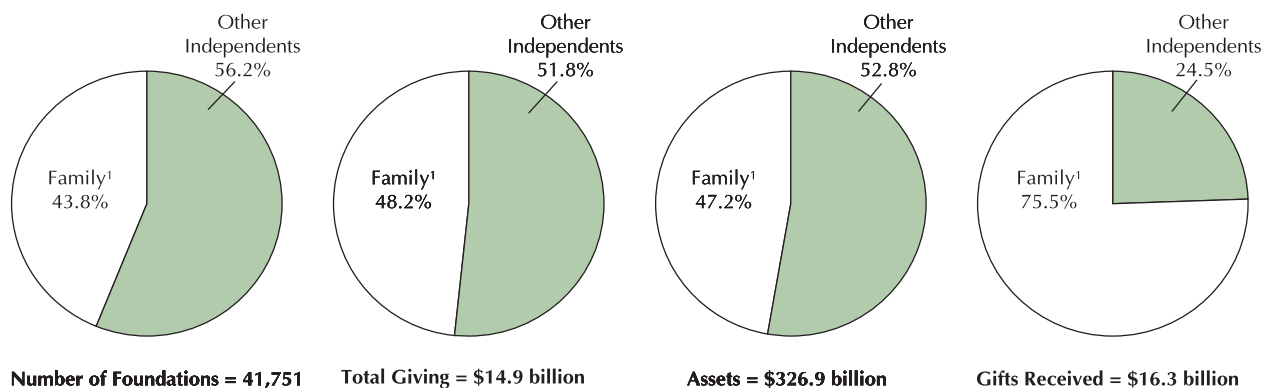
Family Foundations: A Profile of Funders and Trends provides the most comprehensive analysis available on U.S. independent foundations that operate with substantial donor and/or donor-family involvement. (Note: Lacking a legal definition of "family" foundations, it is likely that the report does not capture all of these funders.) The report is divided into two major components. The first section documents the size and scope of the family foundation community. The second section examines the giving trends of a sample of larger family foundations compared to all independent foundations in the sample, and includes a brief comparison of giving patterns by family foundation size.

To more fully capture the motivations of individuals and families who establish foundations, *Family Foundations* presents profiles of seven family foundations prepared by the National Center for Family Philanthropy and, in one case, by the head of a family foundation. The report also includes an essay on common concerns of family foundations, authored by the National Center's president, and recommendations for future areas of research on family foundations.

Dimensions of the Family Foundation Community

- Using a combination of objective and subjective criteria, the Foundation Center identified close to 18,300 "family" foundations accounting for nearly two-fifths of U.S. foundations in 1998
- 1998 family foundation giving of \$7.2 billion surpassed corporate, community, and operating foundations
- Family foundations provided almost half of independent foundation giving and assets in 1998

Family foundations provided close to half of all independent foundation giving and assets in 1998



Source: *Family Foundations*, 2000.

¹Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See "Sources of Data" for details.

For more information on this report, contact Steven Lawrence, Director of Research, at 212-620-4230, or e-mail, sal@fdncenter.org. Family Foundations "Highlights" are also available at <http://www.fdncenter.org>.

- Led by the Bill & Melinda Gates Foundation (WA), family foundations accounted for three-quarters of gifts received by all independent foundations

Family Foundations by Region

- Northeast family foundations in 1998 controlled largest share of number of family foundations, giving, and assets by region
- Western family foundations accounted for largest proportion of independent foundation resources by region in 1998
- Among individual states, New York held the largest share of family foundations by number and total giving, while California maintained the largest share of assets

Family Foundation Creation

- Two-thirds of larger family foundations were formed in the 1980s and 90s
- Largest share of family foundations established in the 1990s was reported in the West
- Roughly half of larger independent foundations established in the 1950s and 60s were identified as family foundations

Summary Statistics of Family and All Independent Foundations, 1998

| | Family Foundations ¹ | All Independent Foundations | % |
|---------------------------|---------------------------------|-----------------------------|------|
| No. of Foundations | 18,276 | 41,751 | 43.8 |
| Total Giving ² | \$ 7,194,317 | \$ 14,933,649 | 48.2 |
| Assets | \$154,452,077 | \$326,949,406 | 47.2 |
| Gifts Received | \$ 12,282,649 | \$ 16,269,846 | 75.5 |

Source: *Family Foundations*, 2000.

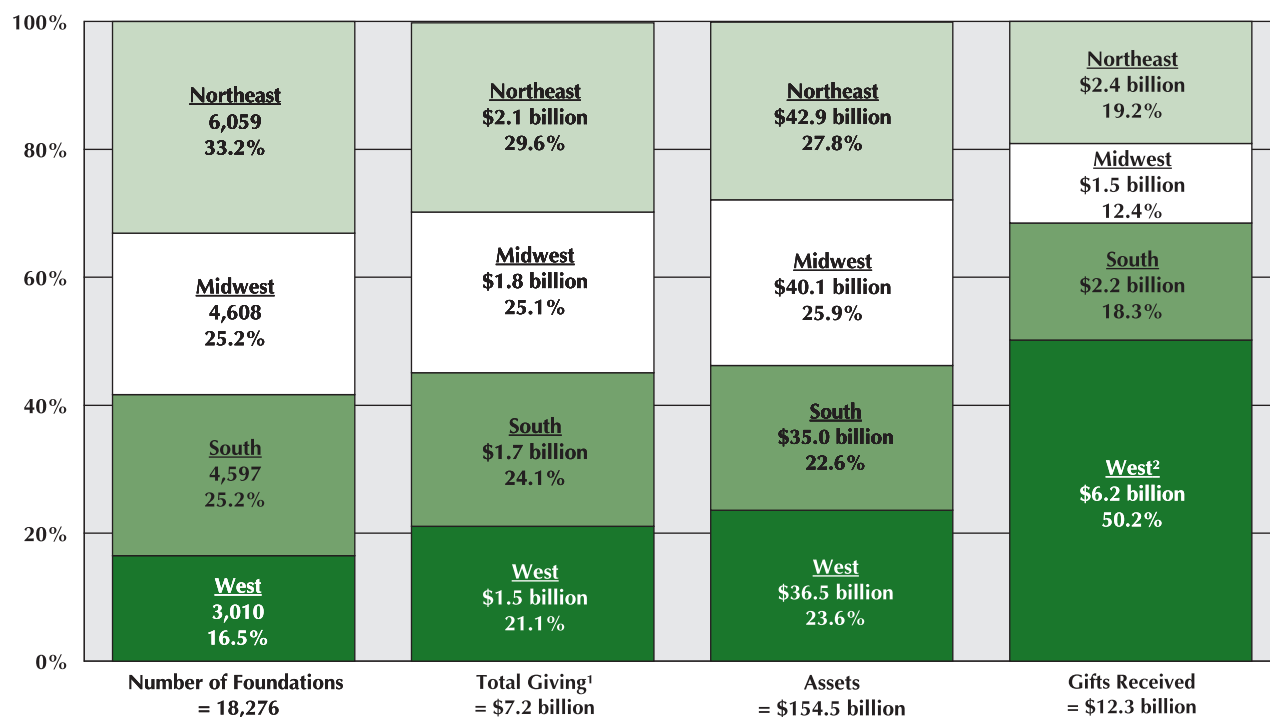
¹Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See "Sources of Data" for details.

²Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

Family Foundations by Size and Geographic Focus

- Three out of five family foundations held assets in 1998 of less than \$1 million
- Top 1 percent of family foundations provided half of all giving in 1998
- Compared to all independents in 1998, family foundation giving was more concentrated among larger foundations
- Most family foundations limited giving to their local communities, states, and regions

Northeastern family foundations accounted for the largest shares by number of foundations, giving, and assets in 1998*



Source: *Family Foundations*, 2000.

*Due to rounding, figures may not add up. Not shown are two family foundations based in the Caribbean, which accounted for 0.0 percent of family foundation giving assets, and gifts received in 1998. Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See "Sources of Data" for details.

¹Includes grants, scholarships, and employee matching gifts; excludes set-asides, loans, PRIs, and program expenses.

²Figures for the West include a record \$4.8 billion gift to the Bill & Melinda Gates Foundation (WA).

- One-in-thirteen family foundations funded nationally or internationally in 1998

Staffing and Governance of Family Foundations

- Family foundations accounted for more than half of all larger staffed independent foundations
- Larger family foundations employed nearly 3,600 paid staff
- Family foundations reported a median of three trustees in 1998, with more for larger foundations

Public Reporting by Family Foundations

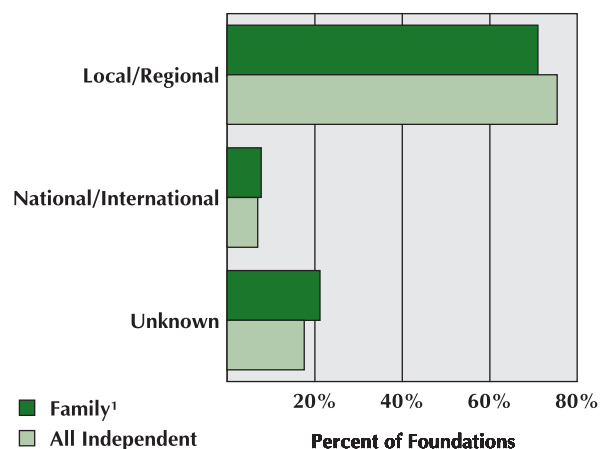
- One-in-seven larger family foundations issued a publication
- One-in-twenty larger family foundations published an annual report

Funding Trends of Family Foundations

Family Foundations *also compares the 1998 giving patterns of a sample of mostly large family and independent foundations, with references to changes in giving patterns since 1993. Findings for 1998 are based on nearly 63,400 grants of \$10,000 or more awarded by 752 larger independent foundations, accounting for half of all independent foundation grant dollars. The 396 family foundations identified for this analysis represented over half (52.7 percent) of independent foundations in the sample.*

- 1998 giving patterns of family and all independent foundations showed general consistency
- Education, Arts and Culture, Environment, Science, and Religion received larger shares of support from family foundations in 1998, compared to all independents
- Independent foundations overall provided larger shares of support for Health, Human Services, International Affairs, and Social Sciences in 1998
- Family foundations gave close to three out of ten 1998 grant dollars for Education
- Education and Public/Society Benefit realized fastest growth in family foundation giving between 1993 and 1998
- Large, mid-size, and small family foundations in the 1998 grants sample showed strong similarities in giving priorities
- Among grant recipients, colleges and universities were favored in 1998 by both family and all independent foundations
- Family foundations provided larger shares of support than independents overall for educational support agencies, museums, schools, and environmental organizations in 1998

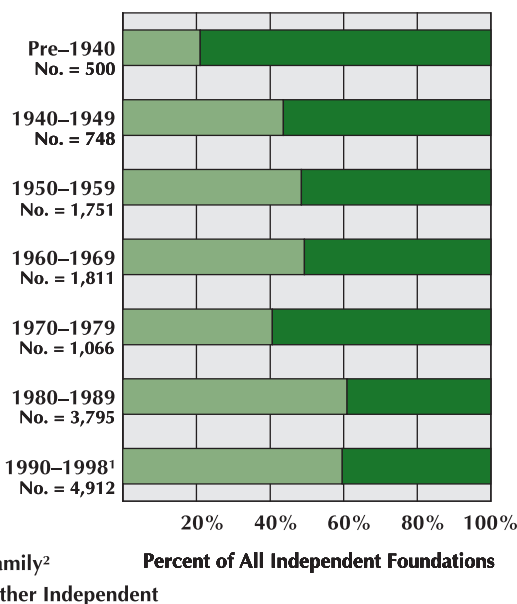
Similar to independent foundations overall, most family foundations limited giving to their local communities or states in 1998



Source: *Family Foundations*, 2000.

¹Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See "Sources of Data" for details.

Half of larger foundations established in the 1950s and 60s were identified as family foundations

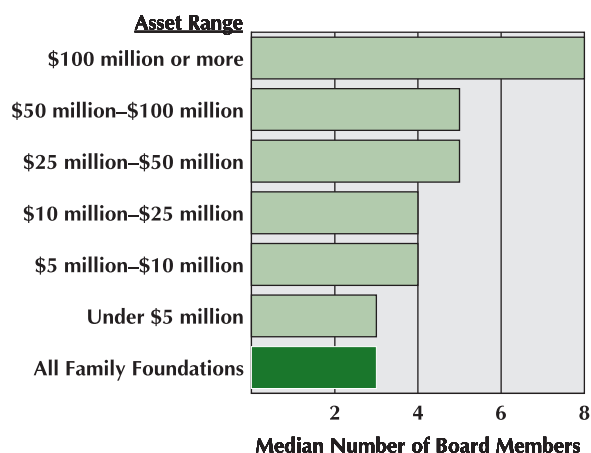


Source: *Family Foundations*, 2000. Based on 1999 Foundation Center survey of 15,053 independent foundations—including 8,007 family foundations—with assets of at least \$1 million or giving of \$100,000 or more. Data were not available for 470 foundations, representing 3 percent of all independent foundations and 2 percent of family foundations in the set.

¹Data incomplete for the period 1994 to 1998.

²Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See "Sources of Data" for details.

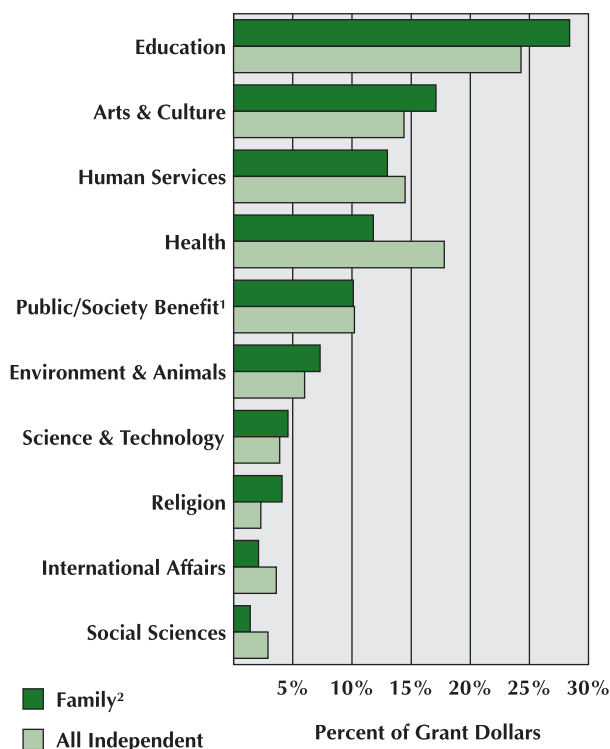
Family foundations indicated a median of three board members in 1998, although the number increased with asset size*



Source: *Family Foundations*, 2000.

*Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See “Sources of Data” for details.

Excluding health, family and all independent foundations showed similar giving patterns in 1998

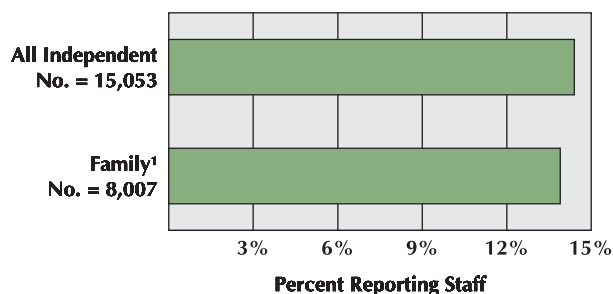


Source: *Family Foundations*, 2000. Based on a sample of 752 larger independent funders, including 396 family foundations accounting for 51.1 percent of total grant dollars awarded by family foundations.

¹Public/Society Benefit includes grants for community improvement and development, public affairs and public administration, civil rights and social action, and philanthropy and voluntarism, including federated funds.

²Family foundations are a subset of independent foundations identified by the Foundation Center using subjective and objective criteria. See “Sources of Data” for details.

Nearly equal shares of larger family and all independent foundations reported paid staff in 1999



Source: *Family Foundations*, 2000. Based on 1999 Foundation Center survey of 15,053 independent foundations—including 8,007 family foundations—with assets of at least \$1 million or giving of \$100,000 or more.

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- Between 1993 and 1998, family foundations increased operating, student aid, and program support
- Family foundations provided larger shares than all independent foundations for capital and operating support in 1998
- Family foundations directed smaller share of 1998 giving to specific population groups than all independent foundations
- Among population groups, children and youth benefited from largest shares of family and all independent foundation support in 1998

ORDERING INFORMATION

Orders for *Family Foundations: A Profile of Funders and Trends* may be charged with Visa, MasterCard, or Amex by calling our toll-free number, 800-424-9836 (in New York, call 212-807-3690); by using our on-line order form at <http://www.fdncenter.org>; or by mailing orders to the Foundation Center, Dept. BP, 79 Fifth Avenue, New York, NY 10003-3076. Prepayment of \$19.95 plus \$4.50 shipping and handling is required. Discounts are available for multiple-copy orders. Please call 800-424-9836 for details.